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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Amendment of the Commission's)
Rules and Policies to Increase)
Subscribership and Usage of)
the Public Switched Network)

CC Docket No. 95-115

DOCKET FILE COPY ORIGINAL

Reply Comments of General Communication, Inc.

General Communication, Inc. (GCI) hereby submits reply comments in response to the Commission's Notice of Proposed Rulemaking.¹ The Notice invited comment on various policy issues relating to subscribership and usage of the network.

GCI does not agree with several Alaskan parties regarding the extension of telephone service to unserved areas.² These parties state that service should be expanded through the use of new technologies such as Demand Assigned Multiple Access (DAMA). However, what they fail to state is that they want this expansion of service to be funded through the Universal Service Fund (USF). At some point, the cost to serve customers who voluntarily choose to live in isolated remote locations must be considered. Alaska,

¹Amendment of the Commission's Rules and Policies to Increase Subscribership and Usage of the Public Switched Network, FCC 95-281, released July 20, 1995.

²See Comments of United Utilities and Alaska Telephone Association.

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with its vast, mostly uninhabited areas, has chosen to limit the obligation to communities of 25 or more.³

These carriers should not be allowed to expand the subsidy system. For example, United Utilities, Inc. (UUI) proposed to put interexchange services into the universal service. UUI proposed to provide "local service" to four remote locations using DAMA technology. The four locations, three of which are sites of a multi-million dollar fish hatchery, are separated by up to 30 miles and would be connected, via satellite, through facilities in Anchorage, 40 miles away. UUI proposed to categorize all the equipment from each hatchery, over the satellite, and back to Anchorage as "local loop" eligible for USF support. The Audits and Accounting Division of the Commission has determined that the equipment outlined by UUI should be classified in Category 4.23, All Other Interexchange Circuit Equipment.⁴ UUI has asked the Division to reconsider its ruling. The Alaska Public Utilities Commission (APUC) determined that the service proposed by UUI would be interexchange service. The APUC also stated that the four locations do not constitute a community because they are not in the same location under the same government, they are

³RCA Alaska Communications, Inc., 6 APUC 590, 591 (1985). United Utilities, APUC Docket U-94-1, Order No. 8, dated September 11, 1995.

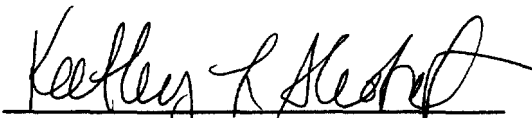
⁴See, Letter from Kenneth P. Moran, Chief, Audit and Accounting Division to William K. Keane, dated July 15, 1994.

separated by as much as 40 miles and that commercial enterprises do not constitute a community. The APUC further stated that universal service is "not void of limitations." They concurred with the general guidelines previously established in Alaska that subsidized telecommunications services should occur in communities with a minimum population of 25.⁵ Any effort to increase subscribership and expand usage must not detrimentally impact the concept of universal service and must not be overly inclusive. It should never include interexchange costs and other costs that should not be subsidized by USF. Common carriage and competition will ensure that service is expanded.

GCI supports the goals of the Commission in increasing usage and subscribership. However, the LECs cannot be handed a blank check to increase their subsidy.

Respectfully submitted,

GENERAL COMMUNICATION, INC.


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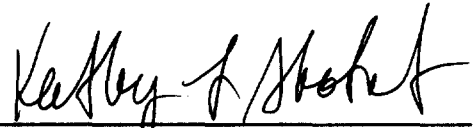
November 20, 1995

⁵See, Application of United Utilities, Inc., APUC Docket U-94-1, Order No. 8, dated September 11, 1995.

STATEMENT OF VERIFICATION

I have read the foregoing, and to the best of my knowledge, information and belief there is good ground to support it, and that it is not interposed for delay. I verify under penalty of perjury that the foregoing is true and correct.

Executed November 20, 1995.

A handwritten signature in black ink, appearing to read "Kathy L. Shobert", written over a horizontal line.

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CERTIFICATE OF SERVICE

I, Kathy L. Shobert, do hereby certify that on this 20th day of November, 1995, a copy of the foregoing was mailed by first class mail, postage prepaid, to the parties listed below.


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